

RULES AND REGULATIONS
TELLURIDE MULTIPLE LISTING SERVICE, INC.
(Operating as a wholly-owned subsidiary of the
Telluride Association of REALTORS®)

Section 1. Listing Procedures

Section 1.1 LISTING PROCEDURES Listings of real or personal property of the following types located within the territorial jurisdiction of the Multiple Listing Service, and are taken by Participants on Exclusive Right to Sell Listing Contracts shall be delivered to the Multiple Listings Service or broker loaded into the MLS computer system within three (3) business days, exclusive of weekends and holidays, after all necessary signatures of seller(s) have been obtained

- (a) Single family homes for sale or exchange.
- (b) Vacant lots and acreage for sale or exchange.
- (c) Two-family, three family, and four family residential buildings for sale or exchange.
- (d) Residential or Commercial Condominium units for sale or exchange.
- (e) Commercial buildings for sale or exchange.
- (f) Deed Restricted homes for sale or exchange.
- (g) Deed Restricted vacant lots for sale or exchange.
- (h) Fractional Ownership & Time-shares for sale or exchange

Exclusive Agency Listings of the same types may be submitted to the MLS or broker loaded into the MLS computer system at the discretion of a Participant acting as the listing broker.

NOTE The Multiple Listing Service shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the Service, although a Property Data Form may be required as approved by the Multiple Listing Service. However, the Multiple Listing Service, through its legal counsel:

May reserve the right to refuse to accept a listing form that fails to adequately protect the interest of the public and the Participants.

May assure that no listing form filed with the Multiple Listing Service establishes, directly or indirectly, any contractual relationship between the Multiple Listing Service and the client (buyer or seller).

The Multiple Listing Service shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other Participants of the Multiple Listing Service acting as subagent, buyer agents, or other capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission.

The listing agreement must include the seller's authorization to submit the agreement to the Multiple Listing Service.

3. The different types of listing agreements include
 - (a) exclusive right to sell
 - (b) exclusive agency
 - (c) open
 - (d) net

The Service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished in the MLS from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted.

Section 1.2 LISTINGS SUBJECT TO RULES AND REGULATIONS OF THE SERVICE

Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s).

Section 1.3 DETAIL ON LISTINGS FILED WITH THE SERVICE

Any new listing when filed with the Multiple Listing Service or broker loaded into the MLS computer system, shall be complete in every detail which is ascertainable as specified on the Property Data Form. Certain "required fields" may be determined by the Committee as containing the minimum information to be provided in order to be accepted by the MLS. Failure to complete all of these fields shall be cause for automatic rejection of the listing and/or assessment of fines to the Participant without specific review by the Committee. Because the MLS book is published periodically, more current information is regularly received though the MLS computer system. Therefore, in cases of discrepancy between the MLS book and the MLS computer system, it is generally preferred to rely on the MLS computer system when the listing broker is not available to verify the information.

Section 1.4 PROPERTY DATA FORM

A MLS authorized Property Data Form is required

for all listings to be submitted to the MLS if listing is to be input by the Association Office.

Section 1.5 EXEMPTED LISTINGS If the seller refuses to permit the listing to be disseminated by the Service, the REALTOR may then take the listing (office exclusive) and such listing shall be filed with the Service but not disseminated by the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service.

Section 1.6 CHANGE OF STATUS OF LISTING Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be submitted to the Service within twenty four (24) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker. Failure to provide the most current information is cause for any of the enforcement remedies specified in Section 9 of these rules.

Section 1.7 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided notice of change in status is broker entered into the MLS Computer or delivered to the MLS office for computer entry. A copy of the agreement between the seller and listing broker that authorizes the withdrawal shall be made available to the Committee upon request.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller.

Section 1.8 CONTINGENCIES APPLICABLE TO LISTINGS Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.9 LISTINGS PRICE SPECIFIED The full gross listing price shall be stated in the contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction.

Section 1.10 MULTIPLE ENTRY OF A LISTING All properties, which are to be or may be sold separately must be submitted in the appropriate time frame to the MLS. Fractional ownership homes and condos must be entered as 'Fractional', and may not be dually listed in any other category. Homes may not be dually listed as 'Land'. Participants shall enter a listing for the category in which it should appear and shall pay the new listing fee. You may list a condominium as a res-single family home (not dually) if the owner also owns the land on which the property lies. Upon the contract and subsequent closing of a property with more than one entry, only one entry should be reported as "sold"; all other entries shall be "withdrawn".

Section 1.11 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS The MLS shall not fix, control, recommend, suggest, or maintain`

commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants or non-participants.

Section 1.12 EXPIRATION OF LISTINGS/CDOM Listings filed with the MLS will automatically be removed from the compilation of current listings on the expiration dates specified in the agreement unless prior to that date the MLS receives notice that the listing has been extended or renewed..

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing or reactivated. Extensions and renewals of listings must be signed by the seller(s) and are required to file with the Service within 5 business days, exclusive of weekends and holidays, after all signatures by the seller(s) have been obtained, otherwise a \$100 fine will be applied for failing to comply. CDOM (cumulative days on market) will only be started over at "1" after a listing has been expired for more than 90 calendar days and thus be considered a "New Listing".

Section 1.13 TERMINATION DATE ON LISTINGS Listings with the Service shall bear a definite and final termination date as negotiated between the listing broker and the seller.

Section 1.14 JURISDICTION Only listings of the designated types of property located within the jurisdiction of the MLS are required to be submitted to the Service. Listings of property located outside the MLS's jurisdiction, which are Exclusive Right to Sell Listing Contracts with no named prospects exempted, Exclusive Right to Sell Listing Contracts with named prospects exempted or Exclusive Agency Contracts will be accepted if submitted voluntarily by a Participant, but cannot be required by the service.

Section 1.15 LISTING PROPERTIES UNDER CONTRACT OR OPTION Properties still listed in the MLS with an "Under Contract" status or optioned properties may again be offered for sale and listed with any Participant provided that the new listing, as well as the "remarks" submitted to the MLS, discloses that the offering is based on an executory contract and that the seller is not the owner of record.

Section 1.16 LISTINGS OF SUSPENDED PARTICIPANTS When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, charges or fines), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Telluride Association of REALTORS (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, charges or fines, the Telluride Multiple Listing Service, Inc. is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the

MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant shall be advised in writing of the intended removal so that the suspended Participant may advise his clients.

Section 1.17 LISTINGS OF EXPELLED PARTICIPANTS When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e. violation of the Code, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, charges, or fines), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Telluride Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, charges or fines, the Telluride Multiple Listing Service, Inc. is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant shall be advised in writing of the intended removal so that the expelled Participant may advise his clients.

Section 1.18 LISTINGS OF RESIGNED PARTICIPANTS When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listing from the MLS, the resigned Participant shall be advised in writing of the intended removal so that the resigned Participant may advise his clients.

Section 1.19 CONTACT INFORMATION Contact information of any kind for the listing agent, listing brokerage, or any other parties or individuals associated with the listing, is strictly prohibited from appearing in the Remarks field of the MLS system. Any contact information such as phone numbers, names, office names, email addresses, fax numbers etc. will be promptly deleted from the Remarks of the listing in question.

Section 2. Selling Procedures

Section 2.1 SHOWINGS AND NEGOTIATIONS Appointments for showings and negotiations with the seller for the purchase of listed property filed with the Multiple Listing Service shall be conducted through the listing broker except under the following circumstances

- (a) the listing broker gives cooperating broker specific authority to show and/or negotiate directly, or
- b) after reasonable effort, cooperating broker cannot contact the listing

broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating broker(s).

Section 2.2 PRESENTATION OF OFFERS The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.3 SUBMISSION OF WRITTEN OFFERS The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Section 2.4 a) RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER The cooperating broker (subagent, buyer agent, or Participants acting in other capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Section 2.4 b) RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Section 2.5 REPORTING UNDER CONTRACT TO THE SERVICE Under Contract pending listings shall be reported to the MLS within three (3) business days, exclusive of weekends and holidays, of the written contractual agreement. Change to Under Contract 3 Days after acceptance date. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES The listing broker shall report to the MLS within three (3) business days, exclusive of weekends and holidays, that a contingency on file with the MLS has been fulfilled or renewed, or the agreement canceled. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.7 REPORTING OF SOLDS The listing broker shall report to the MLS within five (5) business days of the closing, exclusive of weekends and holidays, the selling broker, selling price and closing date. Failure to meet this deadline may cause fines to be assessed against the participant. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

Section 2.8 REPORTING CANCELLATION OF PENDING SALE The Listing broker shall report to the MLS within three (3) business days, exclusive of weekends and holidays, the cancellation of any pending sale and the listing shall be reinstated immediately. Failure to meet this deadline may result in fines assessed to the Participant.

Section 2.9 ADVERTISING OF LISTING FILED WITH THE SERVICE A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

Section 2.10 REQUIREMENT FOR ACCURATE AND COMPLETE INFORMATION IN THE SERVICE Members are encouraged to contact the listing broker when inaccurate or incomplete information is discovered within listing information in the MLS. Members are further encouraged to contact the listing broker and request the listing broker to take action to correct or complete the inaccurate or incomplete information. If there is no compliance from the listing broker, members are then asked to report the situation to the MLS office. Failure to properly maintain a listing within the MLS may result in fines being assessed to the Participant, pursuant to Section 15 (e) of these Rules and Regulations.

The MLS coordinator is empowered to periodically search the MLS database to find inaccuracies. If offending brokers do not maintain their listings within seven (7) days of being notified of the inaccuracy, the MLS coordinator will be empowered to fine the Participant of the listing office and to further remove the listing from the MLS if the listing is not properly maintained within three (3) days of notification of the fine from the MLS coordinator, pursuant to the fine schedule outlined in Section 15 (e).

It is further deemed unacceptable by the Board of the Telluride MLS for listing agents to insert anything other than the property owner of record's name in the Owner field of the MLS system. Failure to properly list the property owner of record's name in the Owner field of the MLS system may result in a fine being assessed to the Participant of the listing office, pursuant to section 15 (e) of these Rules and Regulations.

Section 3. Refusal to Sell

Section 3.1 REFUSAL TO SELL If the seller of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants. Information listed through the MLS may not be reflective of the total Listing Agreement between Seller

and Agent, but serves for general information purposes only. Furthermore, information obtained from the computer database is to be considered more current than that from the most recent MLS book. Information in the MLS is deemed reliable but is not guaranteed by the Service or its Participants.

Section 4. Prohibitions

Section 4.1 INFORMATION FOR PARTICIPANTS ONLY Any listing filed with the Service shall not be made available to any broker or firm not a Member of the MLS without the prior consent of the Listing Broker.

Section 4.2 □FOR SALE□ SIGNS Only the "For Sale" signs of the listing broker may be placed on a property.

Section 4.3 □SOLD□ SIGNS Prior to closing, only the "sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.4 SOLICITATION OF LISTING FILED WITH THE SERVICE Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS Code of Ethics, its Standards of Practice and its Case Interpretations.

Section 5. Division of Commissions

Section 5.1 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease). The listing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement: at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to the cooperating brokers that the commission established in the listing agreement might not be paid. The listing broker shall specify, on each listing filed with the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may be the same or different.

NOTE The compensation specified on listings filed with the MLS shall appear in one of two forms. The essential and appropriate requirement by an Association Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will received as subagents, buyer agents, or Participants acting in other capacities as approved by the National Association of REALTORS and by the Colorado Real Estate Commission in a cooperative transaction unless advised otherwise by the listing broker in writing in advance. The compensation specified on listings published by the MLS shall be shown in one of the following forms

1. By showing a percent of the gross selling price.
2. By showing a definite dollar amount.

Section 5.2 PARTICIPANT AS PRINCIPAL If a Participant or any licensee (or Licensed or certified appraiser) affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the listing is filed with the MLS and such information shall be disseminated to all MLS Participants under the remarks listed in the MLS computer system.

Section 5.3 PARTICIPANT AS PURCHASER If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.4 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS The existence of the dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representation must disclose such information to their client before the client makes an offer to purchase or lease..

Section 6. Service Charges

Service Charges

Section 6—Service Fees and Charges: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to

change from time to time in the manner prescribed.

- (a) Initial Participation Fee: An applicant for participation in the Service who is not a primary or secondary member of the Association shall pay the following fee(s) with such fee(s) to accompany the application:

MLS Set-Up Fee for Offices: \$2,000
Application Fee for New Members: \$500
Application Fee for New MLS Subscribers: \$500

Application and MLS Set-Up fees are void after two (2) years of “inactive” status of an individual or an office, and must be paid once again in the event that the member or office wishes to be reinstated.

Note: The initial participation fee shall approximate the cost of bringing the Service to the Participant.

- (b) Recurring Participation Fee: The monthly participation fee of each Designated Realtor Participant shall be an amount equal to \$54.00 (no book) or \$74.00 (with book) and the monthly participation fee for each Realtor Participant shall be an amount equal to \$46.00 (no book) or \$66.00 (with book) times each salesperson and licensed or certified appraiser who has access to and use of the Service, whether licensed as a broker, sales licensee, or licensed or certified appraiser who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made on or before the 20th day of each month. Fees shall be prorated on a monthly basis.

- (c) Listing Fee: A Participant shall pay a monthly listing fee in an amount equal to the number of listings he filed with the Service during the previous month, multiplied by the listing fee of \$14.00 per listing.

It is a matter of agreement between the listing and selling brokers as to whether or not the cooperating broker shall reimburse the listing broker for the listing fee. The Multiple Listing Service shall not be concerned because this is an arrangement between cooperating brokers, and the Multiple Listing Service rules do not dictate the compensation offered to cooperating brokers by the listing broker. (Amended 4/92)

Section 6i . MLS Read Only

MLS Read-Only

Section 6i-Participation Agreement: For MLS access by Certified Appraisers who are not members of the board/association. The undersigned appraiser desires to obtain Read-Only Access to the Telluride MLS. If the Telluride Association of REALTORS (hereinafter

“TAR”) accepts the appraiser for Read-Only Access. TAR will grant to the applicant a non-exclusive, limited license to access the Telluride MLS solely for use in preparing and collecting data regarding comparable sales in the applicant’s appraisal business. (For MLS access by Appraisers who are not members of the board/association and do not hold a current, valid Real Estate License.)

(a) Fee and dues are established by the Board of Directors of the Telluride Association of REALTORS®. Failure to pay fees and dues will result in access suspension.

(b) The MLS monthly access fee of \$30.00 per Appraiser will begin the immediate month after application and monies have been received. Billing dates are the 19th of each month. Telluride MLS invoices are billed in arrears.

Section 6ii. MLS Read-Only Fees

Service charges

Section 6ii—Service Fees and Charges: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed

(a)	January 1 – June 30	
	TAR Annual Due	\$250.00 per year
	One-time Application Fee	<u>\$500.00</u>
	Payable to TAR	\$750.00
	Monthly MLS fees	\$30.00 per appraiser per month
	Billing dates are the 19 th of each month after access has been approved	
(b)	July 1 – December 31	
	TAR Annual Dues	\$125.00 per year (pro-rated July 1)
	One-time Application Fee	<u>\$500.00</u>
	Payable to TAR	\$675.00
	Monthly MLS fees	\$30.00 per appraiser per month
	Billing dates are the 19 th of each month after access has been approved	

Section 6iii. Waiver Policy Member of TAR® Multiple Listing Service

Participant must hold an active Real Estate or Appraisal License and have primary membership in another Association. A Certification of Individual Affiliated with REALTOR® Participant in the Telluride Multiple Listing Service (“TAR” or “Association”) must be signed and dated stating that signatory shall not use or allow the use of the TAR

Multiple Listing Service or its data in any way. If TAR MLS is utilized at any time by other than the approved Participant, the Participant who is affiliated is obligated to pay an additional individual subscription, fines and possible termination. The TAR Participant that signs this Subscription Waiver is guaranteeing performance of the signatory. The term of this agreement is based on a calendar month and runs from the first day of the month through the last day of same month.

Payment for services is collected at the commencement date as indicated on the face of this Agreement and in advance of each successive month thereafter until termination of this Agreement. Payment of billed services must be received by the end of the month billed to continue services.

MLS Fees:	<u>No Book</u>	<u>With Book</u>
Designated REALTORS	\$74	\$54
REALTORS	\$66	\$46

The monthly MLS Fees (with book) are subject to change every six months.

MLS New Listing Fee:	\$14.00
MLS Book Fee for Staff:	\$20.00
MLS Listing Input	\$25.00
MLS Listing Maintenance	\$10.00

Termination of this Agreement must be made by written notice prior to the month that services are to be terminated. The Participant agrees that the Association has the right to cancel or amend this Agreement with thirty days written notice at the sole discretion of TAR.

The Participant agrees that the Association holds **sole authority** to grant the right to access the on-line system. The Association **does not warrant or guarantee the accuracy, adequacy or content** of the on-line system, including but not limited to the MLS or any information submitted to or provided by it.

Section 7. Compliance with Rules

Section 7.1 COMPLIANCE WITH RULES The following action may be taken for noncompliance with the rules

- (a) For failure to pay any service charge, fee or fine within two (2) month of the date due, and provided that at least ten (10) days notice has been given, the Service may be suspended until service charges, fees or fines are paid in full.
- (b) For failure to comply with any other rule, the provisions of Sections 9.1 and 9.2 shall apply.

Section 7.2 APPLICABILITY OF RULES TO USERS AND/OR AGENTS Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

Section 8. Meetings

Section 8—Meetings: The meetings of the Participants in the Service or the Board of Directors of the Multiple Listing Service for the transaction of business of the Service shall be held in accordance with the provisions of Article 7, bylaws of the Service.

Section 9. Enforcement of Rules or Disputes

Section 9—Consideration of Alleged Violations: The Board of Directors shall give consideration to all written complaints having to do with violations of the rules and regulations. (Amended 2/98)

Section 9.1—Violations of Rules and Regulations: If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, it may be administratively considered and determined by the Board of Directors of the Service, and if a violation is determined, the Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Board in accordance with the bylaws and rules and regulations of the Board of REALTORS® within twenty (20) days following receipt of the Directors' decision. (Amended 11/96)

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the Board of Directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the Professional Standards Committee of the Board of REALTORS® for processing in accordance with the professional standards procedures of the Board. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Board of REALTORS®. (Amended 2/98)

Section 9.2 COMPLAINTS OF UNETHICAL CONDUCT All other complaints of unethical conduct shall be referred by the Committee to the Executive Officer of the Association of REALTORS for appropriate action in accordance with the professional standards procedures

established in the Association's Bylaws.

Section 10. Confidentiality of MLS Information

Section 10.1 CONFIDENTIALITY OF MLS INFORMATION Any information provided by the MLS to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 10.2 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION The information published and disseminated by the Service is communicated verbatim, without change by the Service, as filed with the Service by the Participant. The Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section 10.3 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with the Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

Section 11. Ownership of MLS Compilations and Copyrights

Section 11.1 AUTHORITY TO DISSEMINATE INFORMATION By the act of submission of any property listing data to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the Telluride Association of REALTORS or the Telluride Multiple Listing Service, Inc. to include the property listing data in its copyrighted MLS compilation and also in any statistical report on "Comparables".

Section 11.2 OWNERSHIP OF MLS COMPILATION All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Telluride Multiple Listing Service, Inc. and in the copyrights therein, shall at all times remain vested in the Telluride Multiple Listing Service, Inc. a wholly owned subsidiary of the Telluride Association of REALTORS.

Section 11.3 RIGHTS TO LEASE MLS COMPILATION Each Participant shall be entitled to lease from the Telluride Multiple Listing Service, Inc. a number of copies of each MLS

Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. In addition, each Participant shall be entitled to lease one additional copy for office staff use only. The Participant shall pay, for each such copy, the rental fee set by the MLS Committee. Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules. This section should not be construed to require the Participant to lease a Compilation for any licensee (or licensed or certified appraiser) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling or appraising the types of properties which are required to be filed with the MLS, and who does not, at any time, have access to or use of the MLS information or MLS facility of the Association.

NOTE: The term MLS Compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, bound book, loose-leaf binder, computer data base, card file, or any other format whatever.

Section 12. Use of Copyrighted MLS Compilations

Section 12. 1 DISTRIBUTION Participants shall at all times maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Telluride Multiple Listing Service, Inc. and shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees and any other subscribers as authorized pursuant to the governing documents of the MLS . Use of information developed by or published by the Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed by or published by a Multiple Listing Service where access to such information is prohibited by law.

Section 12.2 DISPLAY Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS Compilation.

Section 12.3 REPRODUCTION Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances

- (a) Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, a reasonable number of single copies of property listing data contained in the MLS Compilation which relate to any properties in which the prospective purchasers are, or may, in the judgment of the Participants or their affiliated licensees, be interested.
- (b) Nothing contained therein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or

other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

- (c) Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm.
- (d) None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, "sold" information, "comparables", or statistical information from utilizing such information to support an estimate of value on a particular property for a particular client.
- (e) However, only such information that an Association or Association owned Multiple Listing Service has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these Rules and Regulations.
- (f) It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bonafide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable," as used herein should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchasers decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with intent, and thus "reasonable" in number, shall include, but are not limited to, the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

Section 13. Use of MLS Information

Section 13.1 LIMITATIONS ON USE OF MLS INFORMATION Use of information from MLS compilation of current listing information, from the Board's Statistical Report, or from any "sold" or "comparable" report of the Board or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited. However, any print or non-print forms of advertising or other forms of public representation based in whole or in part on information supplied by the Association, Board or its MLS must clearly demonstrate the period of time over which such claims are based and must include the

following or substantially similar notice:

“This representation is based in whole or in part on data supplied by the Telluride Association of REALTORS/Board or its MLS for the period **(date) through (date)**. Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market.”

Section 14. Changes in Rules and Regulations

Section 14—Changes in Rules and Regulations: Amendments to the rules and regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service, subject to final approval by the Board of Directors of the Telluride Association of REALTORS (shareholder).

Note: Some Boards may prefer to change the rules and regulations by a vote of the Participants of the Service, subject to approval of the Board of Directors of the Service, with final approval by the Board of Directors of the Board of REALTORS® which is the sole and exclusive shareholder of the stock of the Service corporation.

Section 15. Fines

Section 15.1 TYPES OF FINES The following fines may be assessed to a Participant when the deadlines are not met in reporting required information to the MLS.

(a) **New Listing Fines**

In order to enforce the New Listing Fines all New Listings must be input within three (3) business days, excluding holidays and weekends, of receiving the New Listing. If the New Listing is not input in the time required a \$50.00 fee will be imposed and every month thereafter.

In the case of multiple listings for the same property with multiple brokers, copies of the listing contracts must be submitted to the Board Office within 48 hours of request.

(b) **Under Contract Fines**

Contract pending listings shall be reported to the MLS within three (3) business days, exclusive of weekends and holidays, of the written contractual agreement. Change to Under Contract 3 Days after acceptance date. This status change shall be made by the listing broker unless the negotiations were carried out under Section 2.1 (a) or (b) hereof in which case the cooperating broker shall report, sending a copy to the listing broker immediately after acceptance. Failure to meet this deadline may cause fines to be assessed against the participant.

First Offense: \$50

Second Offense: \$100

Third Offense: All active listings listed by offender will be deleted from the

MLS and service will be suspended for a period of one (1) month. The Offender must pay a \$50 re-instatement fee to resume MLS, and must re-input deleted listings and will be subject to the \$14 new listing fee.

(c) **Under Contract Fines**

In order to enforce the Cancellation of Under Contract Fines all listings must be input as Active within three (3) business days, excluding holidays and weekends, of receiving the Cancellation Notice. If the status of the listing is not changed in the time required a \$50.00 fee will be imposed and every month thereafter.

(d) **Sold Fines**

In order to enforce Sold Fines all listings must be input as Sold within three (3) business days, excluding holidays and weekends, of selling the property. If the status of the listing is not changed in the time required a \$50.00 fee will be imposed and every month thereafter.

(e) **Photo Fines**

In order to enforce Photo Fines all listings must display at least one Primary Photo either of or from the subject property within fourteen (14) days of the listing input date. Parking Spaces are exempted.

(f) **Reactivation of Expired Listing Fines**

In order to enforce the Reactivation Fines all Expired Listings must be reactivated within five (5) business days of acceptance of the extended Listing, excluding holidays and weekends, of receiving the Amend Extend Listing contract. If the Expired listing is not reactive in the time required a \$100.00 fee will be imposed.

In the case of multiple listings for the same property with multiple brokers, copies of the listing contracts must be submitted to the Board Office within 48 hours of request.

(g) **Fines for Inaccurate or Incomplete Information**

In order to enforce the Fines for Inaccurate or Incomplete Information, all listings must be input and maintained with accurate and complete listing information. Failure to input or maintain a listing will warrant a fine based on the following schedule, along with deletion of the listing if the listing is not properly maintained within three (3) days of notification of the fine from the MLS office. All fines to double in 3 day increments capped at \$400. The money will go to FTHBAF program.

Fine(s) schedule:

- 1 Required Field inaccurate or incomplete: \$15
- 2 Required Fields inaccurate or incomplete: \$20

- 3 Required Fields inaccurate or incomplete: \$25
- 4 Required Fields inaccurate or incomplete: \$30
- 5 Required Fields inaccurate or incomplete: \$40
- 6 or more Required Fields inaccurate or incomplete: \$50

- No picture inserted after 14 days after listing inputted. All listings must have at least one photo, including vacant land and homes under construction. Photos are NOT required for parking spaces: \$50

- No features inputted: \$25

- If a Developer of a project sells a unit which was never listed (in which other units of the project were listed) and does not report the sale of the listing as Sold Non-MLS (SNM) in the system: \$50

- Failure to properly list the owner of record's name within the Owner field in the MLS system: \$50

- **Failure to properly reinstate an Expired listing within 5 business days of acceptance to the MLS service: \$100**

(g) **Other Fines**

Other fines may be charged as appropriate for violating any of the Rules and Regulations of the Telluride Multiple Listing Service.

Section 16. Internet Data Exchange (IDX)

SECTION 16.1 – IDX DEFINED: IDX affords Participants the option of authorizing display of their active listings on other Participants' internet web sites.

SECTION 16.2 – AUTHORIZATION: Participants' consent for display of their active listings by other Participants pursuant to these rules and regulations is presumed and implied. Participants must permit display of all of their listings listed in the MLS system in order to participate in IDX and utilize the IDX database on their website, otherwise that TAR member may not download or frame the aggregated MLS data of other Participants.

However, in the event that a seller does not want their property included in the IDX program, Participants may refuse to permit display of individual listings via the IDX program. TAR reserves the right to request written documentation of the seller's request, should this occur.

SECTION 16.3 – PARTICIPATION: Participation in IDX is available to all Participants who are REALTORS® and who consent to display of all of their listings by other Participants. Access to the IDX database will only be granted upon receipt of a signed and completed IDX Participation Agreement, available from the TAR office.

SECTION 16.4 – DISPLAY: Display of listing information pursuant to IDX is subject to the following rules:

- (a)** Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. The list of licensed IDX data fields is subject to change and is available upon request from the TAR office, and is contained in full in the IDX Participation Agreement.
- (b)** Participants shall determine which listings or the types of listings they will display on their websites. Examples include property type (“condo”, “residential single family”, “land”, etc.), price, or location.
- (c)** IDX users shall not modify or manipulate information relating to other Participants’ listings. (This is not a limitation on site design but refers to changes to actual listing data as it appears in the MLS system).
- (d)** Individual listings displayed via IDX on a Participant’s website that are not listed by said realtor, must display a graphic logo indicating that the listing was obtained from the Telluride IDX program. The Telluride IDX logo may be found in the IDX Participation Agreement, and must be displayed per the guidelines described therein. The logo is available in electronic form from the TAR office upon request.
- (e)** All listings displayed via IDX must clearly display the listing agent and listing office, in a font no smaller than that used to describe property information.
- (f)** Participants participating in IDX must refresh all MLS data on their websites at least once every seven (7) days.
- (g)** Disclaimers: The following disclaimer must be displayed at the bottom of every page of the Participants’ website where IDX is displayed in a font no smaller than 8 points. Compliance of this rule may be achieved if a link at the bottom of every page is available that will take users to a page containing the disclaimer below.

The data relating to real estate on this web site comes from REALTORS who submit listing information to the Internet Data Exchange (IDX) Program of the Telluride Association of REALTORS, Inc. The inclusion of IDX Program data on this web site does not constitute an endorsement, acceptance, or approval by the Telluride Association of REALTORS of this web site, or the content of this web site. The data on this web site may not be reliable or accurate and is not guaranteed by the Telluride Association of REALTORS, Inc.

The IDX data on this web site is provided exclusively for the web site user’s personal, non-commercial use and may not be used for any purpose other than

to identify prospective properties that the user may be interested in purchasing.

The following copyright disclaimer MUST be displayed on every page of the Participants' website where IDX is displayed in a font no smaller than 8 points.

Copyright 2002 by Telluride Association of REALTORS, Inc. ALL RIGHTS RESERVED WORLDWIDE. No part of this publication may be reproduced, adapted, translated, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written consent of the Telluride Association of REALTORS, Inc.

- (h)** The data that IDX website users can retrieve or download in response to an inquiry (i.e., the search results page) shall be limited to ten (10) listings per page.
- (i)** Listings obtained through the Telluride MLS and displayed as part of the Telluride IDX program must be displayed separately from listings obtained from other sources, including information provided by other MLSs.
- (j)** No portion of the IDX database shall be used or provided to a third party for any purpose other than those expressly provided for in these rules.
- (k)** The Telluride IDX database will be limited to those listings bearing an "Active" or "Under Contract" status.
- (l)** Participants must notify the MLS of their intention to establish an IDX site and make their IDX site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.
- (m)** Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent "scraping" or other unauthorized accessing, reproduction or use of the MLS database.
- (n)** Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible Web sites of VOWs) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other Web site(s) the listing or property address of consenting sellers.
- (o)** Participants may exclude listings from display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography, list price, type of property, or cooperative compensation offered by listing brokers. Examples include property type ("condos," "single family detached," "Multi-family," etc.), price or location ("downtown").

- (p) Except as provided elsewhere in this policy or elsewhere in an MLS's rules and regulations, an IDX site or Participant operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.
- (q) When displaying listing content, a Participant's or User's IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

SECTION 16.5 – IDX WEBSITE REGISTRATION: All Participants interested in displaying the Telluride IDX database on their websites must register with the TAR office all websites under their control in which the Telluride IDX database will be displayed.

SECTION 16.6 – SERVICE FEES AND CHARGES: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors of the Telluride Multiple Listing Service.

Section 17. Orientation

Section 16.1. Orientation Any applicant for MLS Participation and any licensee affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an initial orientation program of not less than one (1) classroom hour devoted to computer training related to MLS information entry and retrieval and the operation of the MLS, with an additional minimum of two (2) hours devoted to rules and regulations to be completed within six (6) months after access has been provided.

Section 18. Lock Box/Key Repositories

Section 18.1. Lock Boxes No multiple listing service need use lock boxes and no listing broker need use a lock box on a property, but if the multiple listing service does offer the lock boxes, it must make them available to anyone who participates in the multiple listing service, whether an association member or not. Nothing shall prevent the owner's right to refuse to have a lock box on his property.

A lock box is a container affixed to property containing a device to gain access to the property being marketed by a participant in the MLS. Participants in the MLS or their salespersons (and licensed or certified appraisers affiliated with the participants) are authorized under certain conditions to open these lock boxes under terms specified by the listing broker. Cooperating brokers and sales licensees, whether functioning as subagents of the listing broker or as agents of potential purchasers, must contact the listing broker to disclose their agency status and to arrange appointments to show listed property even if the property has a lock box affixed to it unless the listing broker has given specific permission (through information published in the MLS or otherwise) to show the property without first contacting the listing broker.

If an association or its multiple listing service elects to engage in the sale, rental, or distribution of lock boxes to its members or be involved in any way with the sponsorship or endorsement of a common lock box system, the lock box security requirements as established by the NATIONAL ASSOCIATION OF REALTORS® shall be the minimum security measures adopted and implemented in connection with such lock box system. Eligibility for coverage under the National Association's blanket errors and omissions insurance program is contingent on compliance with the lock box security requirements whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor. (Amended 11/90)

Section 18.2. Lock Box Security Requirements. Eligibility for coverage under NAR's blanket errors and omissions insurance program is contingent on compliance with the following security measures whether the system is operated by the association, its MLS, or on behalf of an association by a recognized lock box vendor:

1. Any key, programmer, or other device (hereinafter referred to as key) by which a lock box can be opened shall be nonduplicative. By nonduplicative it is not meant that the key is necessarily covered by a current patent but that it cannot be readily copied in the manner that other types of keys ordinarily are.
2. Keys must be obtained from the original manufacturer, from a recognized vendor of lock box systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, information shall be obtained from the original manufacturer to determine whether the key's pattern, code, or configuration is already in use by other associations, multiple listing services, or other users in the vicinity. Surrounding associations and multiple listing services shall also be contacted to determine whether the key's pattern, code, or configuration is currently in use.
3. Any lock box system shall be designated as either an activity of an association of REALTORS® or an association-owned and operated MLS.

If the lock box system is an activity of an association of REALTORS®, then every REALTOR® and REALTOR-ASSOCIATE® and every non-principal broker, sales licensee and licensed or certified appraiser affiliated with a REALTOR®, shall be eligible to hold a key subject to their execution of a lease agreement with the association. (Amended 11/96)

If the lock box system is an activity of an association-owned and operated multiple listing service, then every MLS participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS.

Associations and multiple listing services may require, as a matter of local determination, that key lease agreements executed by non-principal brokers, sales licensees, and licensed or certified appraisers will be cosigned by the designated REALTOR® or the office's broker of record. Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the keyholder except as provided elsewhere in this statement of policy. (Amended 2/98)

Associations and multiple listing services may, at their discretion, authorize unlicensed personal assistants, administrative and clerical staff, and individuals seeking licensure as real estate appraisers, who are under the direct supervision of a designated REALTOR®, or MLS participant, or their licensed designee, to hold a lock box key on the same terms and conditions as non-principal brokers and sales licensees. (Adopted 11/93)

Associations and multiple listing services may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the association or MLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

Associations or multiple listing services may suspend the right of lock box keyholders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the association or MLS, relates to the real estate business or which puts clients, customers, or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- the nature and seriousness of the crime
- the relationship of the crime to the purposes for limiting lock box access
- the extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- the extent and nature of past criminal activity
- time since criminal activity was engaged in
- evidence of rehabilitation while incarcerated or following release and

- evidence of present fitness (Adopted 11/99)

Administration of a lock box system as an activity of an association of REALTORS® may, at the discretion of the association, be delegated to its multiple listing service.

No one shall be required to lease a key from the association except on a voluntary basis.

Associations and multiple listing services may, at their discretion, lease keys to affiliate members of associations who are actively engaged in a recognized field of real estate practice or in related fields. In such instances, the lease agreement shall be signed by the keyholder and by a principal, partner, or corporate officer of the keyholder's firm. (Amended 11/97)

Key lease agreements may contain a liquidated damages provision to offset some or all of the costs in reestablishing the security of the system if it is determined that the security has been compromised through the negligence or fault of the keyholder. (Amended 11/97)

4. Associations shall maintain current records as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the keyholder and the designated REALTOR®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder. This audit requirement does not apply to electronic lock box programmers or keypads which are sold or leased provided such devices may be deactivated within thirty (30) days. (Amended 5/99)

5. Associations shall require a substantial deposit from each keyholder in an amount that will establish an awareness of personal liability for such key. The initial deposit shall not be less than \$25 nor more than \$200. Deposits for a first replacement key lost or stolen shall be not less than two (2) times nor more than three (3) times the amount of the initial deposit and not less than three (3) times nor more than four (4) times the amount of the initial deposit for second or additional replacement keys. Deposits for keys shall be kept in a special account for refund upon return of the key unless forfeited upon loss of the key. Notwithstanding the foregoing, deposits charged affiliate members may be no more than twice the amounts established above.

If, at the time of inventory, a key is unaccounted for, or if a keyholder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the association.

Deposits for electronic programmers or electronic keycards which are leased but which can be deactivated within thirty (30) days may be required as a matter of local determination. (Adopted 11/95)

6. Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.

7. Associations shall charge keyholders and their cosignatories with the joint obligation of immediately reporting lost, stolen, or otherwise unaccountable for keys to the association. Upon receipt of notice, the association shall take any steps deemed necessary to resecure the system.

8. Associations shall adopt written, reasonable, and appropriate rules and procedures for administration of lock box systems which may include appropriate fines, not to exceed \$1,000. Any issuing fees, recurring fees, or other administrative costs shall be established at the discretion of the association and set forth in the rules and procedures. All keyholders, whether association members or not, shall agree, as a condition of the key lease agreement, to be bound by the rules and procedures governing the operation of the lock box system.

9. Notwithstanding the foregoing, associations and multiple listing services may sell electronic lock box programmers or keypads to MLS participants and others eligible to hold lock box keys pursuant to these requirements provided that such devices may be deactivated, if necessary, within a reasonable period not to exceed thirty (30) days and that the participant has authorized the sale in writing. In the event electronic lock box programmers or keypads are sold or leased, a designated REALTOR® principal or an office's broker of record may purchase or lease additional programmers or keypads to be issued on a temporary basis to other keyholders in the same office in the event their programmer or keypad becomes non-functional outside normal business hours or under circumstances where a replacement programmer or keypad is not reasonably available from the issuing association or MLS. When a programmer or keypad is issued on a temporary basis, it shall be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing that the programmer or keypad has been issued, to whom, and the date and time of issuance within forty-eight (48) hours. It shall also be the responsibility of the REALTOR® principal or the broker of record to advise the association or MLS in writing within forty-eight (48) hours after possession of the previously issued programmer or keypad has been reassumed. (Adopted 4/95)

Section 3. Minimum Security Measures for Centralized Key Repositories of Association Multiple Listing Service

1. A centralized key repository is defined as a system operated by a multiple

listing service which enables a participant to place keys to listed property in a central location to be made available to other participants and their affiliated sales licensees to facilitate the showing of listed property.

2. Use of the system must be strictly limited to participants and their affiliated sales licensees.
3. Keys to listed property may not be submitted unless the property is exclusively listed by the participant and the listing agreement includes a provision whereby the seller specifically authorizes the listing participant to place keys in the system. In lieu of such authorization in the listing agreement, the MLS may require the seller's authorization be provided on a separate document prepared by the MLS.
4. All keys to listed property must be stored in a locked, secure area in the association or MLS office.
5. All keys become the property of the association or MLS.
6. No key may be issued without the consent of the listing office. Any individual requesting a key must indicate, in writing, who in the listing office has authorized the showing.
7. All keys must be coded in a manner which prevents their identification with a particular property until issued by an authorized representative of the association or MLS.
8. Lost or stolen keys must be reported to the association or MLS as quickly as possible.
9. A police report must be filed as quickly as possible whenever a key is lost or stolen.
10. Any person losing a key must immediately advise the property owner and the listing broker and offer to have all necessary locks changed as quickly as possible.
11. The issuance of keys must be discontinued immediately upon request of the seller.
12. Keys must be issued for a specified period of time and failure to return a key within the allotted time shall be considered as a violation of the rules or procedures. When a key is more than twenty-four (24) hours overdue, the association or MLS must contact the person to whom the key was issued and the principal broker or branch manager of the firm to confirm the key has not been lost or stolen and to request its immediate return.

13. Keys must be destroyed upon expiration of the listing or upon closing (whichever occurs first) or earlier at the direction of the listing participant.

14. All rules and procedures for the operation of any centralized key repository must be in writing and be submitted to the National Association for review and approval prior to implementation.

15. Any association member or employee involved in the administration or operation of the system shall be bonded.

Section 19. 2008 Virtual Website Policy & Virtual Office Website Rules for MLS(s)

Policy governing use of MLS data in connection with Internet brokerage services offered by MLS Participants (“Virtual Office Websites”)

I. Definitions and Scope of Policy.

1. For purposes of this Policy, the term Virtual Office Website (“VOW”) refers to a Participant’s Internet website, or a feature of a Participant’s Internet website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS data, subject to the Participant’s oversight, supervision, and accountability.

- a. A Participant may designate an Affiliated VOW Partner (“AVP”) to operate a VOW on behalf of the Participant, subject to the Participant’s supervision and accountability and the terms of this Policy.
- b. A non-principal broker or sales licensee, affiliated with a Participant, may, with the Participant’s consent, operate a VOW or have a VOW operated on its behalf by an AVP. Such a VOW is subject to the Participant’s supervision and accountability and the terms of this Policy.
- c. Each use of the term “Participant” in this Policy shall also include a Participant’s non-principal brokers and sales licensees (with the exception of references in this section to the “Participant’s consent” and the “Participant’s supervision and accountability,” and in section III.10.a, below, to the “Participant acknowledges”). Each reference to “VOW” or “VOWs” herein refers to all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an AVP.

2. The right to display listings in response to consumer searches is limited to display of MLS data supplied by the MLS(s) in which the Participant has participatory rights. This does not preclude a firm with offices participating in

different MLSs from operating a master website with links to such offices' VOWs.

3. Participants' Internet websites, including those operated for Participants by AVPs, may also provide other features, information, or services in addition to VOWs (including the Internet Data Exchange ("IDX") function).
4. The display of listing information on a VOW does not require separate permission from the Participant whose listings will be available on the VOW.
5. Except as permitted in Sections III and IV, MLSs may not adopt rules or regulations that conflict with this Policy or that otherwise restrict the operation of VOWs by Participants.

II. Policies Applicable to Participants' VOWs.

1. A Participant may provide brokerage services via a VOW that include making MLS active listing data available, but only to consumers with whom the Participant has first established a lawful consumer-broker relationship, including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreement(s).

2. A Participant's VOW must obtain the identity of each Registrant and obtain each Registrant's agreement to Terms of Use of the VOW, as follows:

a. A Registrant must provide his or her name and a valid email address. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection c below). The Registrant may be permitted to access the VOW only after the Participant has verified that the email address provided is valid and that Registrant received the Terms of Use confirmation.

b. The Registrant must supply a user name and a password, the combination of which must be different from those of all other Registrants on the VOW, before being permitted to search and retrieve information from the MLS database via the VOW. The user name and password may be established by the Registrant or may be supplied by the Participant, at the option of the Participant. An email address may be associated with only one user name and password. The Registrant's password and access must expire on a date certain but may be renewed. The Participant must at all times maintain a record of the name and email address supplied by the Registrant, and the username and current password of each Registrant. Such records must be kept for not less than 180 days after the expiration of the validity of the Registrant's password. If the MLS has reason to

believe that a Participant's VOW has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by one or more Registrants, the Participant shall, upon request, provide to the MLS a copy of the record of the name, email address, user name, current password, and audit trail, if required, of any Registrant identified by the MLS to be suspected of involvement in the violation.

c. The Registrant must be required affirmatively to express agreement to a "Terms of Use" provision that requires the Registrant to open and review an agreement that provides at least the following:

- i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- ii. That all data obtained from the VOW is intended only for the Registrant's personal, non-commercial use;
- iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
- iv. That the Registrant will not copy, redistribute, or retransmit any of the data or information provided, except in connection with the Registrant's consideration of the purchase or sale of an individual property;
- v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database. After the Registrant has opened for viewing the Terms of Use agreement, a "mouse click" is sufficient to acknowledge agreement to those terms. The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. The Terms of Use agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW.

d. An agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

3. A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about properties displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the

VOW.

4. A Participant's VOW must protect the MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" or other unauthorized accessing, reproduction, or use of the MLS database.

5. A Participant's VOW must comply with the following additional requirements:

a. No VOW shall display listing or property address of any seller who have affirmatively directed its listing broker to withhold its listing or property address from display on the Internet. The listing broker or agent shall communicate to the MLS that a seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, not to have the listing or address for its property displayed on the Internet.

b. A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that conforms to the form attached to this Policy as Appendix A. The Participant shall retain such forms for at least one year from the date they are signed.

c. With respect to any VOW that:

(i) allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or

(ii) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

the VOW shall disable or discontinue either or both of those features as to the seller's listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Except for the foregoing and subject to subparagraph (d), a Participant's VOW may communicate the Participant's professional judgment concerning any listing. Nothing shall prevent a VOW from notifying its customers that a particular feature has been disabled "at the request of the seller."

d. A VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the VOW operator beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The VOW operator shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for that property explaining why the data or information is false. However, the VOW operator shall not be obligated to remove or correct any data or information that

simply reflects good faith opinion, advice, or professional judgment.

e. Each VOW shall refresh MLS data available on the VOW not less frequently than every 3 days.

f. Except as provided elsewhere in this Policy or in MLS rules and regulations, no portion of the MLS database may be distributed, provided, or made accessible to any person or entity.

g. Every VOW must display a privacy Policy that informs Registrants of the ways in which information obtained from them will be used.

h. A VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, or whether the listing broker is a Realtor®.

6. A Participant who intends to operate a VOW must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with this Policy and any other applicable MLS rules or policies.

7. A Participant may operate more than one VOW itself or through an AVP. A Participant who operates a VOW itself shall not be precluded from also operating VOWs in conjunction with AVPs.

III. Policies Applicable to Multiple Listing Services.

1. A Multiple Listing Service shall permit MLS Participants to operate VOWs, or to have VOWs operated for them by AVPs, subject to the requirements of state law and this Policy.

2. An MLS shall, if requested by a Participant, provide basic “downloading” of all MLS non-confidential listing data, including without limitation address fields, listings types, photographs, and links to virtual tours. Confidential data includes only that which Participants are prohibited from providing to customers orally and by all other delivery mechanisms. They include fields containing the information described in paragraph IV(1) of this Policy, provided that sold data (i.e., listing information relating to properties that have sold) shall be deemed confidential and withheld from a download only if the actual sales prices of completed transactions are not accessible from public records. For purposes of this Policy, “downloading” means electronic transmission of data from MLS servers to a Participant’s or AVP’s server on a persistent basis. An MLS may also offer a transient download. In such case, it shall also, if requested, provide a persistent download, provided that it may impose on users of such download the approximate additional costs incurred by it to do so.

3. This Policy does not require an MLS to establish publicly accessible sites displaying Participants' listings.

4. If an MLS provides a VOW-specific feed, that feed must include all of the non-confidential data included in the feed described in paragraph 2 above except for listings or property addresses of sellers who have elected not to have their listings or addresses displayed on the Internet.

5. An MLS may pass on to those Participants who will download listing information the reasonably estimated costs incurred by the MLS in adding or enhancing its "downloading" capacity to enable such Participants to operate VOWs.

6. An MLS may require that Participants (1) utilize appropriate security protection, such as firewalls, as long as such requirement does not impose security obligations greater than those employed concurrently by the MLS, and/or (2) maintain an audit trail of Registrants' activity on the VOW and make that information available to the MLS if the MLS has reason to believe that any VOW has caused or permitted a breach in the security of the data or a violation of applicable MLS rules.

7. An MLS may not prohibit or regulate display of advertising or the identification of entities on VOWs ("branding" or "co-branding"), except to prohibit deceptive or misleading advertising or co-branding. For purposes of this provision, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated by or for more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

8. Except as provided in this Policy, an MLS may not prohibit Participants from enhancing their VOWs by providing information obtained from sources other than the MLS, additional technological services (such as mapping functionality), or information derived from non-confidential MLS data (such as an estimated monthly payment derived from the listed price), or regulate the use or display of such information or technological services on any VOW.

9. Except as provided in generally applicable rules or policies (such as the Realtor® Code of Ethics), an MLS may not restrict the format of data display on a VOW or regulate the appearance of VOWs.

10. Subject to the provisions below, an MLS shall make MLS listing data available to an AVP for the exclusive purpose of operating a VOW on behalf of a Participant. An MLS shall make MLS listing data available to an AVP under the same terms and conditions as those applicable to Participants. No AVP has independent participation rights in the MLS by virtue of its right to receive data

on behalf of a Participant, or the right to use MLS data except in connection with operation of a VOW for a Participant. AVP access to MLS data is derivative of the rights of the Participant on whose behalf the AVP is downloading data.

a. A Participant, non-principal broker or sales licensee, or AVP may establish the AVP's right to receive and use MLS data by providing to the MLS a writing in which the Participant acknowledges its or its non-principal broker's or sales licensee's selection of the AVP to operate a VOW on its behalf.

b. An MLS may not charge an AVP, or a Participant on whose behalf an AVP operates a VOW, more than a Participant that chooses to operate a VOW itself (including any fees or costs associated with a license to receive MLS data, as described in (g), below), except to the extent that the MLS incurs greater costs in providing listing data to the AVP than the MLS incurs in providing listing data to a Participant.

c. An MLS may not place data security requirements or restrictions on use of MLS listing data by an AVP that are not also imposed on Participants.

d. An MLS must permit an AVP to download listing information in the same manner (e.g., via a RETS feed or via an FTP download), at the same times and with the same frequency that the MLS permits Participants to download listing information.

e. An MLS may not refuse to deal directly with an AVP in order to resolve technical problems with the data feed. However, the MLS may require that the Participant on whose behalf the AVP is operating the VOW participate in such communications if the MLS reasonably believes that the involvement of the Participant would be helpful in order to resolve the problem.

f. An MLS may not condition an AVP's access to a data feed on the financial terms on which the AVP provides the site for the Participant.

g. An MLS may require Participants and AVPs to execute license or similar agreements sufficient to ensure that Participants and AVPs understand and agree that data provided by the MLS may be used only to establish and operate a VOW on behalf of the Participant and not for any other purpose.

h. An MLS may not (i) prohibit an AVP from operating VOWs on behalf of more than one Participant, and several Participants may designate an AVP to operate a single VOW for them collectively, (ii) limit the number of entities that Participants may designate as AVPs for purposes of operating VOWs, or (iii) prohibit Participants from designating particular entities as AVPs except that, if an AVP's access has been suspended or terminated by an MLS, that MLS may prevent an entity from being designated an AVP by another Participant during the period of the AVP's suspension or termination.

i. Except as stated below, an MLS may not suspend or terminate an AVP's access to data (a) for reasons other than those that would allow an MLS to suspend or terminate a Participant's access to data, or (b) without giving the AVP and the associated Participant(s) prior notice and the process set forth in the applicable provisions of the MLS rules for suspension or termination of a Participant's access. Notwithstanding the foregoing, an MLS may immediately terminate an AVP's access to data (a) if the AVP is no longer designated to provide VOW services to any Participant, (b) if the Participant for whom the AVP operates a VOW ceases to maintain its status with the MLS, (c) if the AVP has downloaded data in a manner not authorized for Participants and that hinders the ability of Participants to download data, or (d) if the associated Participant or AVP has failed to make required payments to the MLS in accordance with the MLS's generally applicable payment policies and practices.

11. An MLS may not prohibit, restrict, or impede a Participant from referring Registrants to any person or from obtaining a fee for such referral.

IV. Requirements That MLSs May Impose on the Operation of VOWs and Participants.

1. An MLS may impose any, all, or none of the following requirements on VOWs but may impose them only to the extent that equivalent requirements are imposed on Participants' use of MLS listing data in providing brokerage services via all other delivery mechanisms:

a. A Participant's VOW may not make available for search by or display to Registrants the following data intended exclusively for other MLS Participants and their affiliated licensees:

- i. Expired, withdrawn, or pending listings.
- ii. Sold data unless the actual sales price of completed transactions is accessible from public records.
- iii. The compensation offered to other MLS Participants.
- iv. The type of listing agreement, i.e.; exclusive right to sell or exclusive agency.
- v. The seller(s) and occupant(s) name(s), phone number(s) and email address(es), where available.
- vi. Instructions or remarks intended for cooperating brokers only, such as those regarding showing or security of the listed property.

b. The content of MLS data that is displayed on a VOW may not be changed from the content as it is provided in the MLS. MLS data may be augmented with additional data or information not otherwise prohibited from display as long as the source of such other data or information is clearly identified. This requirement does not restrict the format of MLS data display on VOWs or display of fewer than all of the listings or fewer authorized data fields.

c. There shall be a notice on all MLS data displayed indicating that the data is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may also include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

d. Any listing displayed on a VOW shall identify the name of the listing firm in a readily visible color, and reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

e. The number of current or, if permitted, sold listings that Registrants may view, retrieve, or download on or from a VOW in response to an inquiry may be limited to a reasonable number. Such number shall be determined by the MLS, but in no event may the limit be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.

f. Any listing displayed on a VOW shall identify the name of the listing agent.

2. An MLS may also impose the following other requirements on the operation of VOWs:

a. Participants displaying other brokers' listings obtained from other sources, e.g., other MLSs, non-participating brokers, etc. shall display the source from which each such listing was obtained.

b. A maximum period, no shorter than 90 days and determined by the MLS, during which Registrants' passwords are valid, after which such passwords must be changed or reconfirmed.

3. An MLS may not prohibit Participants from downloading and displaying or framing listings obtained from other sources, e.g., other MLSs or from brokers not participating in that MLS, etc., but may require either that (i) such information be searched separately from listings obtained from other sources, including other MLSs, or (ii) if such other sources are searched in conjunction with searches of the listings available on the VOW, require that any display of listings from other sources identify such other source.

Section 19.1 VOW RULES

Note: Adoption of Sections 19.1 through 19.14 is required.

Section 19.1 (a): A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.

(b) As used in Section 19 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.

(c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

(d) As used in Section 19 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 19.2 (a): The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

(b) Subject to the provisions of the VOW Policy and these Rules, a Participant’s VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange (“IDX”).

(c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

Section 19.3 (a): Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

(i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

(b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.

(c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

(d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

- (i) That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - (ii) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - (iii) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - (iv) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - (v) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- (e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- (f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

Section 19.4: A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 19.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

(NOTE: MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.)

Section 19.6 (a): A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

(b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option a or Option b

a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

OR

b. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

initials of seller

(c) The Participant shall retain such forms for at least one year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

Section 19.7 (a): Subject to subsection (b), a Participant's VOW may allow third-parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 19.8: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 19.11: A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 19.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 19.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants

for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 19.14: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

Note: Adoption of Sections 19.15 –19.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on Participants’ use of MLS Listing Information in providing brokerage service through all other delivery mechanisms.

Section 19.15: A Participant’s VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired, withdrawn, or pending (“under contract”) listings.
- b. The compensation offered to other MLS Participants.
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The seller’s and occupant’s name(s), phone number(s), or e-mail address(es).
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- f. *Sold information* **MUST BE OMITTED because Sold information is publicly accessible at San Miguel County Assessor’s office.**
(Important Note: If sold information is publicly accessible in the jurisdiction of the MLS, Subsection 19.15 (f) must be omitted.)

Section 19.16: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 19.17: A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant’s VOW may

include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 19.18: A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

Section 19.19: *Not Adopted.*

Note: Adoption of Sections 19.20–19.25 is at the discretion of the MLS. It is not required that equivalent requirements be established related to other delivery mechanisms.

Section 19.20: A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

(Note: The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than 90 days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.)

Section 19.21: A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 19.22: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

Section 19.23: *Not Adopted.*

Section 19.24: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 19.25: Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

Section 20 – Prohibited Website Domain Usage

If a Telluride MLS member owns or operates a website with the word “Telluride” in it (or any abbreviation for the name Telluride), the following words are prohibited from being used within the same domain name: Realtor, MLS, IDX. (“Prohibited Domain Names”)

All owners/operators of Prohibited Domain Names as of July 1, 2009 shall be allowed to make the following remedy without penalty:

- A. By July 8, 2009, all owners/operators of Prohibited Domain Names must register for the “Domain Amnesty Program” (DAP). This is accomplished by emailing (admin@telluriderealtors.net) or faxing (970.728.5270) your name, brokerage name, and Prohibited Domain Name(s) to the TAR office. Please use the words “DAP registration” in the subject line of your email or fax.
- B. By September 8, 2009, the registered Prohibited Domain Name must redirect/resolve to a qualified domain name.
- C. By July 8, 2010, the Prohibited Domain Name must be shut down (i.e. does not resolve to any owner or operator website content).

Effective July 9th, 2009, all TAR MLS members that are owners/operators of Prohibited Domain Names that are not registered with DAP shall be subject to any or all of the following penalties:

- Suspension of Telluride MLS membership.
- MLS fines to be determined by TAR Board of Directors.

Furthermore, any failure to comply with the all terms of DAP shall be grounds for any or all of the penalties described above.

TAR MLS members are allowed to own Prohibited Domain Names but may not use them (i.e. the domain name may not resolve to any owner or operator website content)

This following information below is for reference only to show the direct relation to our new policy regarding Domain Usage (Taken from the 2009 NAR Code of Ethics)

• Standard of Practice 12-8

The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on REALTORS®’ websites. REALTORS® shall use reasonable efforts to ensure that information on their websites is current. When it becomes apparent that information on a REALTOR®’s website is no longer current or accurate, REALTORS® shall promptly take corrective action. (Adopted 1/07)

- *Standard of Practice 12-9*

REALTOR® firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of REALTORS® and non-member licensees affiliated with a REALTOR® firm shall disclose the firm's name and that REALTOR®'s or non-member licensee's state(s) of licensure in a reasonable and readily apparent manner. (Adopted 1/07)

- *Standard of Practice 12-10*

REALTORS®' obligation to present a true picture in their advertising and representations to the public includes the URLs and domain names they use, and prohibits REALTORS® from:

1) engaging in deceptive or unauthorized framing of real estate brokerage websites;

2) manipulating (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or

3) deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers. (Adopted 1/07)

- *Standard of Practice 12-11*

REALTORS® intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner. (Adopted 1/07)

- *Standard of Practice 12-12*

REALTORS® shall not:

1) use URLs or domain names that present less than a true picture, or

2) register URLs or domain names which, if used, would present less than a true picture. (Adopted 1/08)